

South Carolina Department of Insurance

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MEDIA ADVISORY

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South Carolina Department of Insurance to hold Coastal Insurance Meeting

Director Scott Richardson and staff from the South Carolina Department of Insurance will meet with Charleston area residents to discuss coastal insurance issues on June 12, 2008 from 5:30-7:00 p.m. at The Town of Mount Pleasant Town Council Chambers, 100 Ann Edwards Lane, Mount Pleasant, SC 29464.

This public meeting provides an opportunity for area residents to speak with Director Richardson and discuss the status of the coastal insurance market place. Director Richardson and staff met with homeowners from the Charleston area last year at The Citadel. At that time, the Omnibus Coastal Property Insurance Reform Act of 2007 had not been enacted. "Since the passage of the Reform Act in June of 2007, we have seen new companies enter the South Carolina marketplace," said Director Richardson. "We have also seen reinsurance costs decrease and the surplus lines market become much more nimble. These are all indications that the market is improving and after a two-three-year period we expect to see continued improvements as a result of the Reform Act."

The Omnibus Coastal Property Insurance Reform Act of 2007 outlined various ways to enhance property insurance affordability and availability along the coast. Homeowners were allowed to set up Catastrophe Savings Accounts to prepare for the financial impact of a catastrophic storm and save on state income taxes. The Act also provides state tax incentives in attempt to make insurance more affordable for people with modest incomes. Specifically, people who pay more than 5 percent of income towards insurance premiums will receive a tax credit of up to \$1,000 for costs incurred to retrofit their homes and may claim a tax credit up to \$1,500 against sales taxes paid on material used for retrofitting. Insurers are now required to offer insurance premium discounts and credits for certain mitigation measures such as the use of storm shutters, roof tie-downs and the purchase of flood insurance.

Additionally, the Act created a retrofitting grant program, entitled SC Safe Home. Grants are available to single family homeowners of site-built and manufactured or modular homes to help them strengthen their properties against the high winds associated with hurricanes and other severe wind events. To date, SC Safe Home has awarded more than 375 grants to homeowners totaling approximately \$1.98 million. Please visit the SC Safe Home Web site at www.scsafehome.com. for grant guidelines and information.

Information concerning the SC Safe Home Program and other incentives outlined in the Omnibus Coastal Property Insurance Reform Act of 2007 will be available at the Thursday, June 12th meeting. Should you have any questions concerning this advisory, please contact Ann Roberson at 803-737-6207.